Fighting financial crime with technology

By Chantel Troskie   21 Nov 2019

Financial institutions are very much aware of how sensitive and pivotal this time of the year is for their business as customers deal with large amounts of cash. With the festive season around the corner, fraud will be on the rise and there will be those targeting financial systems that are easily hacked so that funds can be stolen, either from the financial institution itself, or the customer.

Chantel Trotskie, senior CX sales manager at Oracle South Africa

Therefore, financial service providers would want to have an upper hand on criminals, and it is in this regard that most service providers have over the years invested heavily in technology that not only enhances customer experience (CX), but also safeguards the investments.

In its 9th Annual Cost of Cybercrime Study, Accenture reported how the South African banking industry is especially prone to fraudulent activity, mostly emanating from criminal syndicates. Another institution, the SA Banking Risk Information Centre (Sabric), recently said in its crime statistics for 2018 there was a spike in banking fraud in the said year.

This is a matter of concern not only for law enforcement authorities, or the banking industry and its regulators, but also a call for a deeper introspection by those developing the technology and how it fights fraud. Technology has to be better, smarter and constantly adapt and improve year-on-year, catering for customer needs while addressing the changing attack strategies from fraudsters.

Several of the major banks in South Africa have been talking digitalisation, and this development is cited as one to make customers' lives better as they can access most of their banking needs at their fingertips. This has also come with its challenges that are continuously being addressed by the banks, as they also need to take into consideration the various policies of the country; such as the Financial Intelligence Centre Act and the Protection of Personal Information Act.

Learnings

South Africa's big banks are embracing the potential of emerging technologies for reducing costs, improving efficiencies, enhancing security and elevating CX.

Chatbots are becoming increasingly important in the fight against financial crime. Chatbots have special use in the financial

services industry in terms of improving response time, consistency of interactions and reducing company spend on customer interactions. According to the International Data Corporation's [CIO South Africa Survey 2019](#), one leading South African bank reported that its chatbot now services 80% of customer queries at 10% of the historical cost.

For banks and financial institutions, second-generation cloud infrastructure serves as a foundation for better and faster access to consolidated insights. These businesses can do more with less, thanks to advanced analytics toolkits, adaptive customer-behaviour-based models and graph technology that aids in rapidly detecting and automatically analysing deviant patterns across all the organisation's transactions – in real-time. These insights help data scientists and financial crime specialists to effectively fight fraud and ensure operational compliance.

ABOUT CHANTEL TROSKIE

Troskie is passionate about guiding businesses on technology that will help them better understand as well as engage with their customers.
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